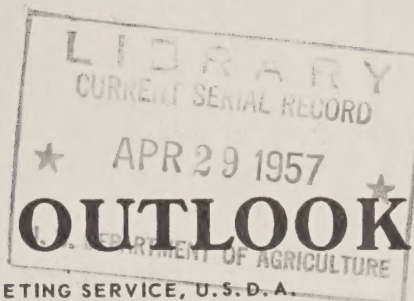


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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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The annual count of livestock on farms January 1 showed fewer cattle, hogs and sheep than at the beginning of 1956.

Number of cattle on farms at the beginning of this year fell 2% below January 1, 1956-- from 96.8 million to 95.2 million. Calves were down 1%, beef cows and heifers 2%, steers 4%. Number of cattle and calves on feed was up 4%.

About as many cattle are likely to be slaughtered this year as last. Dressed weights per head are likely to average lighter and a small decrease in beef production is in prospect. Cattle prices are likely to average about the same as in 1956.

Drought remains the big "if" in the cattle outlook. Most of the reduction in cattle numbers during 1956 took place in the Dakotas, Nebraska, Kansas, Oklahoma, Texas, Montana, Colorado, and New Mexico...States where weather has been dry and is continuing so. If many more farmers are forced to liquidate herds, slaughter in 1957 would be larger than now anticipated and prices lower.

Two percent fewer hogs under 6 months of age were on farms January 1 than a year earlier. Also, the spring pig crop is expected to be down 2% from last spring. These figures indicate hog slaughter will stay below a year earlier most of 1957. By the year's end, however, slaughter may be up to the year earlier rate.

Hog prices are likely to stay below their winter high while marketings from last fall's crop are largest...then rise seasonally later in the spring. Margin over a year earlier is likely to be considerably less in the later months of 1957 than now.

Total number of sheep on farms January 1 was down 1% from the beginning of 1956. But 5% more were on feed. Slaughter the first part of 1957 is likely to run above a year earlier, but may be lower later.

DAIRY PRODUCTS. Not much change in overall dairy situation is in view for 1957. Production is likely to be up slightly from 1956. Consumption per person is expected to hold at 1956 levels with total use up about as much as production because of the rise in population. Price supports will be at 1956 levels and prices to farmers also are likely to be about the same.

EGGS AND POULTRY: Hatchings of flock replacement chicks in December and January were down 8 and 21 percent from last year. Whether the cut in the spring will be as large as in January is still uncertain. Egg prices rose slightly in January following renewal of the Government egg-buying program.

Broiler prices in mid February were above the low points reached a few weeks earlier. However, marketings are still up from last year. Recent figures on chick placements indicate they will continue so.

OILSEEDS. Soybean exports are running above last year. 1956-57 total is expected to top 1955-56 level of 67 million bushels by about 10 million. Demand from crushers also has been strong. Prices were above last year until this month when they declined somewhat.

Cottonseed from the 1956 crop sold at an average price of \$53.20 per ton, also above last year and support. The 1956 crop was down sharply and demand for meal and oil has been strong.

Last year's flaxseed crop, second largest on record, considerably exceeds requirements in this country. Export demand is off because of the larger supply in foreign countries. Prices to farmers for this season are expected to average below the support.

FEEDS. Prices of most feeds declined in recent weeks but remain above a year ago. Prices for no. 3 yellow corn at Chicago the week ending February 8 were near the seasonal low of last October.

WHEAT. Exports from July through January were double the same period of 1955-56. Total this year is now expected to be about 450 million bushels compared with 345 million last season.

The exports in prospect indicate that stocks next July 1 will be down about 50 million bushels from the 1,034 million of last July 1. This would be the first important reduction in the carryover since 1952.

VEGETABLES. Record supplies of canned and frozen vegetables are estimated for the remainder of the current marketing season. Retail prices are likely to average a little lower than last year. Winter production of fresh vegetables is substantially smaller than last winter and prices the next few weeks are likely to average above a year earlier.

COTTON. Domestic consumption of cotton through December this season was about 4% below a year earlier. It probably will continue to lag the rest of this season. On the other hand, exports have been over 3 times last season's low rate.

WOOL. Prices have advanced fairly steadily since the current marketing season opened last April. In mid-January, prices to farmers averaged the highest since March 1955. Consumption of wool has increased the last 2 years, both in the U. S. and abroad. World supplies continue large with the 1956-57 production up 4% from the previous year's record.

TOBACCO. The 1956 burley crop sold for the highest average price on record...63.6 cents a pound, 8 1/2% above a year earlier. Prices of the heavier-bodied leaf and tip grades were up sharply while the traditionally top cigarette grades held at about last year's levels.

FOOD EXPENDITURES. Consumers were buying food at an annual rate of about 71 billion dollars in the fourth quarter of 1956. This was 4% above the October-December 1955 rate...up almost as much as consumer income.

Prices to farmers for food products in the "market basket" in the last quarter of 1956 were up an average of 2% from a year earlier. Marketing margins were about the same. Consequently, the farmer's share of the consumer's food dollar rose from 39 cents to 40 cents.